

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

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E. O. 11652: N/A

TAGS: ELAB, ECON, AR

SUBJECT: LABOR ACCUSES MULTINATIONAL CORPORATIONS OF ECONOMIC
TERRORISM

1. RISING UNEMPLOYMENT AND CONTINUED FAILURE MANY BUSINESS FIRMS TO PAY AGREED ON SALARY INCREASES BECOMING SUBJECT OF MAJOR CONCERN ORGANIZED LABOR. MANY UNIONS HAVE DECLARED THEMSELVES IN PERMANENT SESSION AND HAVE ADVISED THAT THEY WILL NOT PERMIT FURTHER LAYOFFS. METAL WORKING INDUSTRY SPECIALLY HARD HIT. INDICATIVE OF EXTENT OF PROBLEM, SAN JUAN PROVINCE METAL WORKERS UNION (UOM) CALLED FOR CGT ASSISTANCE IN SOLUTION PROBLEM INSOFAR AS "25 PERCENT OF METAL WORKERS HAVE BEEN LAID OFF AND THE WORK SHIFT HAS BEEN REDUCED 40 PERCENT FOR THOSE REMAINING".

2. IN AUGUST 21 MEETING WITH MINECON CAFIERO, UOM AND 62 ORGANIZATIONS LEADER LORENZO MIGUEL ACCUSED MULTINATIONAL CORPORATIONS OF ACTIVITIES AMOUNTING TO "GENUINE ECONOMIC TERRORISM". HE DISCOUNTED POSSIBILITIES THAT MULTINATIONALS HAD FINANCIAL PROBLEMS INHIBITING THEM FROM PAYING AGREED ON SALARY INCREASES AND CHARGED THEM WITH NON-COMPLIANCE WITH ARGENTINE LAW. CONVERSELY, HE ACKNOWLEDGED THAT MEDIUM AND SMALL NATIONAL INDUSTRIES HAD PROBLEMS AND REQUESTED MINECON FINANCIAL

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ASSISTANCE FOR THEM.

3. COMMENT. WITH THE DEEPENING RECESSION, FURTHER LAYOFFS AND REDUCTION IN WORK SHIFTS, AS WELL AS CONTINUED DELAY IN PAYING AGREED ON SALARY INCREASES, ARE EXPECTED. SUCH EMOTIONAL AND TIME-HONORED ACCUSATIONS AGAINST MULTINATIONALS ARE NOT UNEXPECTED FROM LABOR, BUT THEY ARE UNFORTUNATE AT THIS TIME AS THEY WILL MAKE CAFIERO'S EFFORTS TO RESOLVE ECONOMIC CRISIS EVEN MORE DIFFICULT.

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